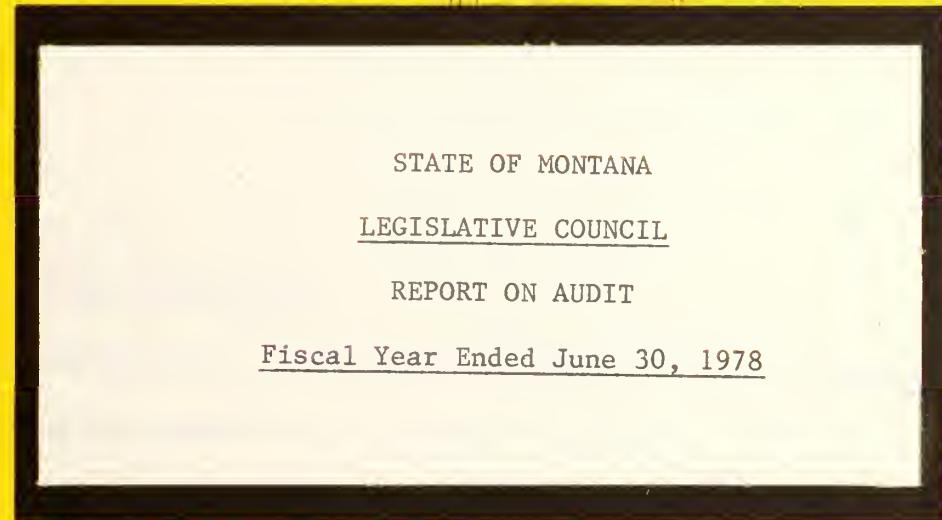


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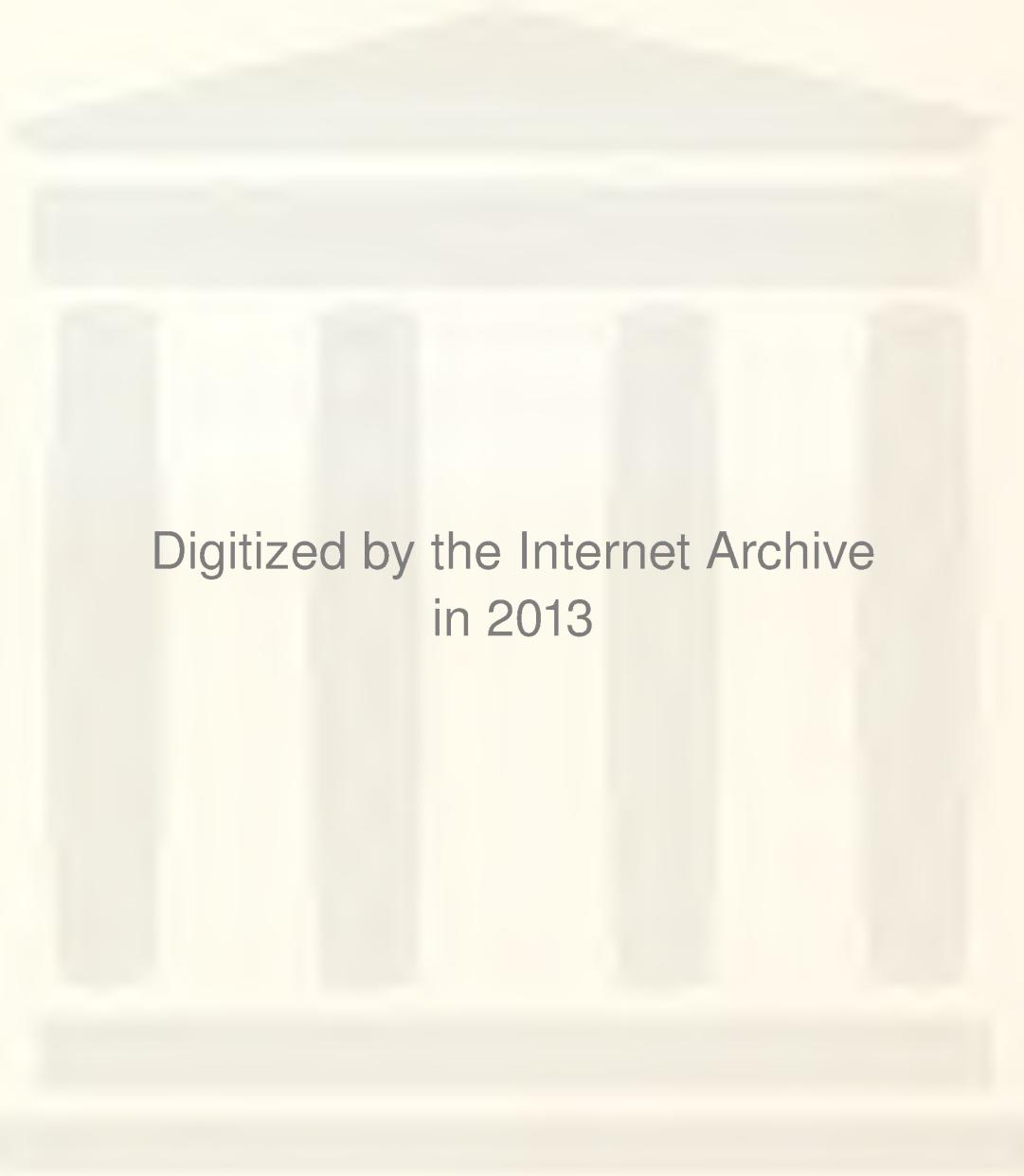


STATE OF MONTANA

LEGISLATIVE COUNCIL

REPORT ON AUDIT

Fiscal Year Ended June 30, 1978



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STATE OF MONTANA

Office of the Legislative Auditor



MORRIS L. BRUSSETT  
LEGISLATIVE AUDITOR

STATE CAPITOL  
HELENA, MONTANA 59601  
406/449-3122

September 1978

DEPUTY LEGISLATIVE AUDITORS:  
JOSEPH J. CALNAN  
ADMINISTRATION AND  
PROGRAM AUDITS

ELLEN FEAVER  
FINANCIAL-COMPLIANCE AND  
CONTRACTED AUDITS

STAFF LEGAL COUNSEL  
JOHN W. NORTHEY

The Legislative Audit Committee  
of the Montana State Legislature:

Transmitted herewith is the report on the audit of the Legislative Council for the year ended June 30, 1978.

The audit was conducted by G. Dean Reed, CPA, under a contract between the firm and our office. The comments and recommendations contained in this report represent the views of the firm and not necessarily the Legislative Auditor.

The agency's written response to the report recommendations is included in the back of the audit report.

Respectfully submitted,

*Morris L. Brusett*

Morris L. Brusett, C.P.A.  
Legislative Auditor



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OFFICIALS

LEGISLATIVE COUNCIL

Council Members

Senators

Chet Blaylock

Pat M. Goodover

Carroll Graham, Chairman

Frank Hazelbaker

Representatives

John B. Driscoll

Oscar Kvaalen

J.D. Lynch

Robert L. Marks

Executive Director

Diana S. Dowling



SUMMARY OF RECOMMENDATIONS

Page

Update the Council's equipment control system to include control and subsidiary ledgers, procedures to record changes in equipment on a current basis, assignment of responsibility for custody, marking of equipment items with identification tags, annual physical inventories, and adjustment of records to agree with the physical inventories after approval by the appropriate officials of any writeoffs of equipment. 3

Agency concurs and indicates intent to implement the recommendation.

Determine the origin of the revolving fund account and dispose of the balance in a manner consistent with its intended purpose. 4

Agency concurs and indicates balance will be deposited to the General Fund.

Consider the need for the continued functioning of the Commission on Uniform State Laws and submit legislation to either assign the Commission to another agency for administrative purposes, or to abolish the Commission. 6

Agency indicates the Council has voted to appropriate 1979-81 Commission moneys to the Governor's Office. The Council's executive director expresses the opinion that the Governor should initiate the legislation to assign the Commission to an agency.



G. DEAN REED  
CERTIFIED PUBLIC ACCOUNTANT  
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HELENA, MONTANA 59601

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TELEPHONE 442-6050

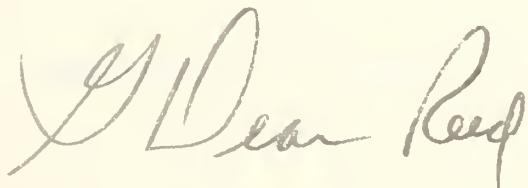
September 22, 1978

Legislative Audit Committee  
State Capitol  
Helena, Montana

I have examined the financial statements of the funds of the Legislative Council for the fiscal year ended June 30, 1978, listed in the foregoing table of contents. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

A Statement of Changes in General Fixed Assets and related balance sheet fixed asset and reserve accounts, required by generally accepted accounting principles, are not included in the accompanying financial statements. This is due to the lack of general ledger control accounts and incomplete supporting records concerning the Council's investment in equipment.

In my opinion, except for the exclusion of a Statement of Changes in General Fixed Assets and the related balance sheet accounts, the accompanying financial statements listed in the aforementioned table of contents present fairly the financial position of the funds of the Legislative Council as of June 30, 1978, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.





## COMMENTS

### GENERAL

The Legislative Council serves as the Montana Legislature's research and services organization. The Council, created in 1957 and provided for in Title 43, Chapter 7, R.C.M. 1947, is a permanent agency of the Legislative Branch.

The Council consists of eight members - four each from the House of Representatives and the Senate. The Council is bi-partisan in that only two members from each house may be of the same political party.

Among its functions, the Council coordinates several studies and other projects during the interim between biennial legislative sessions. The Council, through its executive director, supervises a staff that drafts legislative bills preliminary to and during the session and provides various support services. The Council's office is situated in the state capitol in Helena.

The Council's operations are financed from the General Fund for the most part. During 1977-78, the Council participated in two \$20,000 study projects under contract with other state agencies, as described more fully in the accompanying statements of revenue (page 11) and expenditures (page 14).

A major project undertaken by the Council during the current interim is the recodification of Montana's statutes. This project - the first complete recodification since 1947 - entailed considerably more expense during 1977-78 than was provided for in the Council's appropriation. As a result, \$262,000 was transferred from the Council's 1978-79 appropriation for use in 1977-78.



## EQUIPMENT CONTROL

The Council's accounting for its equipment needs to be improved to establish adequate control. Once equipment is acquired, without a central control system, the mechanism isn't available to determine that the equipment is properly utilized.

Ideally, the equipment control system should consist of:

(1) General ledger control accounts.

(2) Subsidiary or detail ledgers consisting of an individual record (e.g. card, computer listing, etc) showing for each individual piece of equipment its location, description, tag number, cost or other assigned value, date of acquisition, and payment document numbers.

(3) Established procedures to record changes as they occur in the equipment (purchases of new equipment items, relocations, disposals of equipment, etc.).

(4) The marking of equipment items upon their receipt with identification tags.

(5) Assignment of responsibility for the custody of equipment to the employee in charge of the area where the equipment is located.

(6) Physical inventories taken at least annually and adjustment of the accounting records to agree with the physical inventories after approval by the appropriate officials of any necessary writeoffs.

Unfortunately, SBAS cannot yet accomodate the needed control accounts.

In lieu thereof, each agency must improvise its own system. However, if the other control features exist, the control accounts are relatively easy to maintain.

The Council recently took a physical inventory of its equipment but has not yet tagged the equipment or established values. If the Council follows up the physical inventory by implementing the other steps outlined above, it will have the basis for a sound equipment control system.

## RECOMMENDATION

I recommend that the Council update its equipment control system to include control and subsidiary ledgers, procedures to record changes in equipment on a current basis, assignment of responsibility for custody, marking of equipment items upon their receipt with identification tags, annual physical inventories, and adjustment of records to



agree with the physical inventories after approval by the appropriate officials of any writeoffs of equipment.

#### REVOLVING FUND ACCOUNT

As shown by the accompanying Balance Sheet and Statement of Changes in Fund Balance (pages 9 and 10), the Council has a revolving fund account in the state treasury. This account has had no activity for over three years and the account balance (\$289.54) has remained unchanged during this time.

The account carries the title "Statutory Information Retrieval System". None of the Council's current staff to whom the question was directed are familiar with the nature or purpose of this account. Although the account balance is relatively small, the system must account for it and state employees' time is required to handle the resulting printouts, etc.

Since the account is apparently no longer serving its intended purpose, the Council should review the nature of the account balance and dispose of it (refund, deposit as revenue to the General Fund, etc.) in a manner consistent with its intended purpose.

#### RECOMMENDATION

I recommend that the Council determine the origin of its revolving fund account and dispose of the balance in a manner consistent with its intended purpose.

#### COMMISSION ON UNIFORM STATE LAWS

The Statewide Budgeting and Accounting System (SBAS) classifies the Commission on Uniform State Laws as an agency of the Legislative Branch. The Commission is a separate state "agency" but has no employees of its own and is not attached to any other agency for administrative purposes.

The Commission was created pursuant to legislation enacted in 1945, now codified as Sections 12-401 through 404, R.C.M. 1947. The Commission consists of three Montana attorneys appointed by the Governor for four year terms.



The current members whose terms run through June 4, 1981, and their affiliation are as follows:

Alex Blewett, Chairman	Private Law Practice
Diana S. Dowling	Executive Director, Montana Legislative Council
Robert Sullivan	Dean, School of Law, University of Montana

The primary statutory function of each Commission member is to attend the meetings of the National Conference of Commissioners on Uniform State Laws, and "do all in his power to promote uniformity in state laws, upon all subjects where uniformity may be deemed desirable and practicable."

The Commission has historically been financed by appropriations from the General Fund. The Commission's primary expenditures are for travel expenses and dues to the National Conference. However, the Commission received no appropriations for the current biennium and, as a result, no financial transactions are reflected in SBAS for the Commission during 1977-78. All three members attended the National Conference held during 1977-78, but their expenses were paid from outside sources (e.g. themselves and/or their employers). The Legislative Council paid the travel expenses for its employee/member on the Commission. Commission members advise that Montana is the only state that has not paid its National Conference dues for the current biennium.

The audit point here is that the Commission is not attached to any agency for administrative purposes. If the function is to continue, it should be attached to some state agency with employees to handle administrative transactions. This structure would be consistent with most, if not all, other state programs and would provide the basis for more consistent administrative procedures. If the function is not to be continued, it should be the result of legislative deliberation and removal from the statutes, as opposed to lack of appropriations.



In my opinion, the most logical agency for the Commission to be attached for administrative purposes is the Legislative Council. This is because the purposes of the two agencies (passage of good state laws) are consistent and the Council is the servicing arm of the Legislature which passes the laws.

#### RECOMMENDATION

I recommend the Council consider the need for the continued functioning of the Commission on Uniform State Laws and submit legislation to either assign the Commission to another agency for administrative purposes, or to abolish the Commission.

#### PRIOR AUDIT RECOMMENDATIONS

The last audit of the Council's funds was that conducted by the Office of the Legislative Auditor for the biennium ended June 30, 1969. Numerous changes have been made since 1969 in the framework within which the Council (and all other state agencies) operate. The changes consist mainly of changes in the law and in the State's accounting system. These changes have resolved some of the audit points included in the previous audit report.

The previous audit resulted in eleven recommendations for improvement in the Council's operations. Those recommendations together with comments on the status of their implementation follow.

#### Control Over Equipment

1. Take a complete physical inventory of fixed assets, adjust the general ledger control accounts to agree with the physical count, and establish a subsidiary ledger comprising an individual record for each capital item.
2. Maintain the control and detail ledgers for fixed assets on a current basis recording acquisitions and deletions as the transactions occur.
3. Make physical counts of equipment in the future at least on an annual basis and adjust the accounting records to agree with the counts securing the executive director's written approval of any writeoffs of capital items.

An earlier section of this current report is devoted to the Council's control over its equipment. In summary, the Council initiated some inventory



In my opinion, the most logical agency for the Commission to be attached for administrative purposes is the Legislative Council. This is because the purposes of the two agencies (passage of good state laws) are consistent and the Council is the servicing arm of the Legislature which passes the laws.

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control procedures subsequent to the last audit but did not maintain them.

Prior to the start of the current audit, the Council had taken a physical inventory and developed some preliminary plans to implement an inventory control system.

#### Approval for Claims and Requisitions

4. Consider revising the \$100 limitation rule on approvals of requisitions and claims to either increase the dollar limitation and eliminate the requirement for the chairman's approval for payment of billings for services already approved in the council minutes, or eliminate the rule altogether.

The rule still exists as one of the Council's Rules of Procedure except that it was amended to provide that "routine claims in excess of \$100" may be approved by the executive director.

#### Cancellation of Paid Invoices

5. Mark invoices to show that invoices have been verified and approved, the date filed for payment, and the claim number on which it was submitted.

Paid invoices are now attached to the payment processing document (e.g. transfer warrant claim).

#### Payments for Bill Drafting Services

6. Agreements with non-employee bill drafters be in writing and statements for services provided be supplied as support for claims for payments to bill drafters.

Bill drafters are now normally Council employees. It was noted that written contracts are a standard policy for contracted services and payment processing documents are supported by invoices for services.

#### Sick Leave and Overtime Policy

7. Establish formal policies for employees' sick leave and overtime accumulation and time off.

Statewide policies were subsequently adopted in state law for all public employees.

#### Employee Attendance Records

8. Maintain employee attendance records and records on a current basis showing time off earned, taken, and the balance for employees' vacation, sick leave, and overtime.



The Recommendation has been fully implemented.

Appropriation Control

9. The state controller revise the accounting division's claim processing procedures to disallow payment of claims exceeding the limits provided by Section 59-701.2, R.C.M. 1947.

No instances were noted where the Council exceeded its spending authority for 1977-78.

Accounting System

10. Consider requesting that 1971-73 and subsequent Council operations be financed from single biennial appropriations with program accounting to determine the accurate cost of major functions.

For the most part, the Council's on-going operations are now financed from a single appropriation with supporting program cost accounting as recommended.

11. Consider initiating an internal timekeeping and cost allocation system to determine the cost of individual studies and evaluations.

The Council considered the recommendation, implemented it on a trial basis, and decided not to continue accounting for costs to this degree of detail.

CONCLUDING COMMENTS

The comments and recommendations contained in this report have been reviewed with the Council's executive director. I would like to thank the director and her staff for the cooperation and assistance provided during the audit.



LEGISLATIVE COUNCIL  
ALL FUNDS  
BALANCE SHEET  
June 30, 1978

	<u>General Fund</u>	<u>Earmarked Revenue Fund</u>	<u>Federal and Private Revenue Fund</u>	<u>Revolving Fund</u>
<b><u>ASSETS</u></b>				
Cash in State Treasury	\$ -	\$ -	\$ 20,693	\$ 290
Unexpended Appropriations	334,502	-	-	-
Accounts Receivable	225	-	-	-
<b>Total Assets</b>	<b><u>\$334,727</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 20,693</u></b>	<b><u>\$ 290</u></b>
<b><u>LIABILITIES, RESERVES, AND FUND BALANCE</u></b>				
Accrued Support Expenditures	\$107,593	\$ -	\$ -	\$ 290
Reserve For Continuing Appropriations	226,909	-	-	-
Reserve For Deferred Accounts Receivable	225	-	-	-
Fund Balance - Exhibit B	-	-	20,693	290
<b>Total Liabilities, Reserves, and Fund Balance</b>	<b><u>\$334,727</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 20,693</u></b>	<b><u>\$ 290</u></b>

See Notes to Financial Statements.



LEGISLATIVE COUNCIL  
ALL FUNDS  
STATEMENT OF CHANGES IN FUND BALANCE  
Fiscal Year Ended June 30, 1978

	<u>General Fund</u>	<u>Earmarked Revenue Fund</u>	<u>Federal and Private Revenue Fund</u>	<u>Revolving Fund</u>
Fund Balance, July 1, 1977	\$ -	\$ -	\$ -	\$ 290
Add:				
Revenue - Exhibit C	16,679	-	40,000	-
Appropriation Balances Carried Forward from 1976-77	292,671	-	-	-
1977-78 Legislative Appropriations	1,012,974	7,500	-	-
Transfers from 1978-79 Appropriations	262,000	-	-	-
Prior Year Expenditure Adjustments (Net)	2,387	-	-	-
Prior Year Expense Rebates	<u>902</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Balance and Additions	1,587,613	7,500	40,000	290
Deduct:				
Revenue Deposited to General Fund	16,679	-	-	-
Support Expenditures - Exhibit D	1,333,435	6,363	19,307	-
Appropriation Reversions	7,729	1,137	-	-
Appropriation Balances Carried Forward to 1978-79	226,909	-	-	-
Prior Year Expenditures	<u>2,861</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 1978	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,693</u>	<u>\$ 290</u>

See Notes to Financial Statements.



LEGISLATIVE COUNCIL  
ALL FUNDS  
STATEMENT OF REVENUE  
Fiscal Year Ended June 30, 1978

	<u>General Fund</u>	<u>Federal and Private Revenue Fund</u>
Publications and Document Sales	\$ 16,679	\$ -
Transfers From Other State Agencies Pursuant to Contracts Whereby the Legislative Council Agreed to Coordinate Studies for Which Appropriations Were Made to the Other State Agencies:		
Department of Natural Resources - (Renewable Resource Development Clearing Account) - Study of Methods For and Progress in the Determination of Existing Water Rights in Montana and Related Matters Pursuant to 1977 HJR No. 81 and House Bill No. 708	-	20,000
Governor's Office (General Fund) - Provide Legislative Oversight of the Governor's Legal Jurisdiction Project and Related Matters Pursuant to 1977 House Bill No. 145	-	20,000
<b>Total</b>	<b>\$ 16,679</b>	<b>\$ 40,000</b>

See Notes to Financial Statements.



LEGISLATIVE COUNCIL  
ALL FUNDS  
STATEMENT OF SUPPORT EXPENDITURES COMPARED WITH APPROPRIATIONS  
Fiscal Year Ended June 30, 1978

	General Fund (Exhibit D-1)	Earmarked Revenue Fund (Coal Tax Over- sight Committee)	Federal and Private Revenue Fund (Exhibit D-2)
Appropriation Balances Carried Forward from 1976-77	\$ 292,671	\$ -	\$ -
1977-78 Legislative Appropriations	1,012,974	7,500	-
Appropriation Transfers from 1978-79	262,000	-	-
Appropriation Transfers from Other State Agencies	<u>-</u>	<u>-</u>	<u>40,000</u>
Total Spending Authority	1,567,645	7,500	40,000
Support Expenditures	1,333,007	6,363	19,307
Appropriation Reversions	<u>7,729</u>	<u>-</u>	<u>16,477</u>
Appropriation Balances Carried Forward to 1978-79	<u>\$ 226,909</u>	<u>\$ 1,137</u>	<u>\$ 4,216</u>

ANALYSIS OF EXPENDITURES

Personal Services:

Salaries and Wages	\$ 567,970	\$ -	\$ 1,791
Legislators' Compensation	25,785	2,126	4,759
Employee Benefits	<u>80,201</u>	<u>-</u>	<u>269</u>
Total Personal Services	<u>673,956</u>	<u>2,126</u>	<u>6,819</u>

Operating Expenses:

Contracted Services	484,227	102	2,745
Supplies and Materials	11,887	-	58
Communications	14,011	-	20
Travel	62,047	4,074	8,975
Rent	34,540	61	-
Repairs and Maintenance	11,629	-	-
Other Expenses	<u>36,919</u>	<u>-</u>	<u>690</u>
Total Operating Expenses	<u>655,260</u>	<u>4,237</u>	<u>12,488</u>

Capital Items:

Equipment	<u>3,791</u>	<u>-</u>	<u>-</u>
Total Support Expenditures	<u>\$1,333,007</u>	<u>\$ 6,363</u>	<u>\$ 19,307</u>

See Notes to Financial Statements



LEGISLATIVE COUNCIL  
GENERAL FUND  
STATEMENT OF SUPPORT EXPENDITURES COMPARED WITH APPROPRIATIONS  
Fiscal Year Ended June 30, 1978

	Legis. Travel- Nat'l Conf.	Print. & Distrib.	Dues to Nat'l Conf.	Revenue Over- Sight Comm.	Western States Forest. Task Force	Pub. of 1972 Con Con Proceed.	Total
	Basic Oper- ations	Add'l Research	of State Legis.	Sess. Laws & Journals	of State Gov'ts	Legis.	
<b>Appropriation Balances Carried Forward from 1976-77</b>	\$ 50,044	\$ -	\$ -	\$ 106,754	\$ -	\$ -	\$ 292,671
<b>1977-78 Legislative Appropriations</b>	902,330	30,000	10,000	-	18,584	14,560	30,000 7,500 - 1,012,974
<b>Appropriation Transfers from 1978-79</b>	<u>262,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u> 262,000
<b>Total Spending Authority</b>	1,214,374	30,000	10,000	106,754	18,584	14,560	30,000 7,500 135,873 1,567,645
<b>Support Expenditures</b>	1,131,628	15,000	9,999	106,754	16,160	14,560	14,788 6,351 17,767 1,333,007
<b>Appropriation Reversions</b>	<u>5,304</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>2,424</u>	<u>-</u>	<u>-</u> - 7,729
<b>Appropriation Balances Carried Forward to 1978-79</b>	<u>\$ 77,442</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,212</u>	<u>\$ 1,149</u> <u>\$ 118,106</u> <u>\$ 226,909</u>
<b>ANALYSIS OF EXPENDITURES</b>							
<b>Personal Services:</b>							
Salaries and Wages	534,212	13,144	-	-	-	7,051	- 13,563 567,970
Legislators' Compensation	20,341	-	2,168	-	-	2,363	772 141 25,785
Employee Benefits	75,252	1,856	-	-	-	1,058	- 2,035 80,201
<b>Total Personal Services</b>	<u>629,805</u>	<u>15,000</u>	<u>2,168</u>	<u>-</u>	<u>-</u>	<u>10,472</u>	<u>772</u> <u>15,739</u> <u>673,956</u>
<b>Operating Expenses:</b>							
Contracted Services	372,370	-	-	106,754	-	82	4,000 1,021 484,227
Supplies and Materials	11,383	-	-	-	-	4	- 500 11,887
Communications	14,011	-	-	-	-	-	- 14,011
<b>Travel</b>							
Rent	49,077	-	6,954	-	-	4,230	1,579 207 62,047
Repairs and Maintenance	34,540	-	-	-	-	-	- 34,540
Other Expenses	11,629	-	-	-	-	-	- 11,629
<b>Total Operating Expenses</b>	<u>5,322</u>	<u>-</u>	<u>7,877</u>	<u>106,754</u>	<u>16,160</u>	<u>14,560</u>	<u>4,316</u> <u>5,579</u> <u>1,728</u> <u>655,260</u>
<b>Capital Items:</b>							
Equipment	<u>3,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u> 300 3,791
<b>Total Support Expenditures</b>	<u><u>11,131,628</u></u>	<u><u>\$ 15,000</u></u>	<u><u>\$ 9,999</u></u>	<u><u>\$ 106,754</u></u>	<u><u>\$ 16,160</u></u>	<u><u>\$ 14,560</u></u>	<u><u>\$ 6,351</u></u> <u><u>\$ 17,767</u></u> <u><u>\$ 1,333,007</u></u>

See Notes to Financial Statements.



LEGISLATIVE COUNCIL  
FEDERAL AND PRIVATE REVENUE FUND  
STATEMENT OF SUPPORT EXPENDITURES COMPARED WITH APPROPRIATIONS  
Fiscal Year Ended June 30, 1978

	Water Rights Study	Legal Jurisdiction Project	Total
<b>Appropriation Transfers from Other State Agencies:</b>			
Department of Natural Resources	\$ 20,000	\$ -	\$ 20,000
Governor's Office	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total Spending Authority	20,000	20,000	40,000
Support Expenditures	15,784	3,523	19,307
Appropriation Reversions	<u>-</u>	<u>16,477</u>	<u>16,477</u>
<b>Appropriation Balances Carried Forward to 1978-79</b>			
	<u>\$ 4,216</u>	<u>\$ -</u>	<u>\$ 4,216</u>
<b>ANALYSIS OF EXPENDITURES</b>			
<b>Personal Services:</b>			
Salaries and Wages	\$ -	\$ 1,791	\$ 1,791
Legislators' Compensation	4,277	482	4,759
Employee Benefits	<u>-</u>	<u>269</u>	<u>269</u>
Total Personal Services	<u>4,277</u>	<u>2,542</u>	<u>6,819</u>
<b>Operating Expenses:</b>			
Contracted Services	2,724	21	2,745
Supplies and Materials	58	-	58
Communications	20	-	20
Travel	8,015	960	8,975
Rent	-	-	-
Repairs and Maintenance	-	-	-
Other Expenses	690	-	690
Total Operating Expenses	<u>11,507</u>	<u>981</u>	<u>12,488</u>
<b>Capital Items:</b>			
Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Support Expenditures	<u>\$ 15,784</u>	<u>\$ 3,523</u>	<u>\$ 19,307</u>

See Notes to Financial Statements.



LEGISLATIVE COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
Fiscal Year Ended June 30, 1978

Basis of Accounting

1. Consistent with established fiscal policy for the State of Montana, the statements are prepared on the modified accrual basis of accounting.

Accrued Liability For Employees' Earned Time Off

2. Also consistent with established fiscal policy for the State of Montana, the accompanying statements exclude the accrued liability for the council's employees' earned time off for vacation and sick leave. The related expenditures are recorded when paid.



SENATE MEMBERS

CARROLL GRAHAM

CHAIRMAN

FRANK HAZELBAKER

VICE CHAIRMAN

CHEP BLAYLOCK

PAT M. GOODOVER

TERRY C. WALKER  
EXECUTIVE DIRECTOR

ELENOR ECK  
ADMINISTRATIVE ASSISTANT

ROBERTA MOODY  
DIRECTOR, LEGISLATIVE SERVICES



# Montana Legislative Council

State Capitol

Helena, 59601

(406) 449-3064

HOUSE MEMBERS

JOHN B. DRISCOLL

OSCAR KVAALEN

J.D. LYNCH

ROBERT L. MARKS

DIANA DOWLING  
DIRECTOR, LEGAL SERVICES  
CODE COMMISSIONER

ROBERT PERSON  
DIRECTOR, RESEARCH

October 2, 1978

Legislative Audit Committee  
State Capitol  
Helena, Montana 59601

Gentlemen:

As you know, the Legislative Council has undergone changes in management staff personnel during the past year, including the executive director position and the bookkeeper position.

I know the Council members will be pleased that this audit report indicates no problems with our present bookkeeping or personnel file systems, which have been revised, corrected, and put in proper order by our new bookkeeper, Sharole Connelly (who also serves as Business Manager for the Legislature).

I agree with all of the recommendations made by Mr. Reed.

Equipment Control System. As indicated, we have begun to set up this system and it is only lack of staff time that has delayed the completion of the project. It takes hours to inspect old records to determine purchase price, etc., of old furniture. We intend to begin allocating a number of hours each week to complete this project.

Revolving Fund Account. It is true that the existence of the revolving fund account was unknown to any present staff person. The Council intends to create a revolving fund account for sales of the Montana Code Annotated, but that will be a new and separate account. We will take the necessary steps to deposit the \$289.54 into the General Fund.

Commission on Uniform State Laws. The Legislative Council voted at its September 22, 1978 meeting that moneys for the 1979-81 biennium to support the Commission be appropriated to the Governor's office. Since the Commission is statutory and its members appointed



Legislative Audit Committee  
October 2, 1978  
Page Two

by the Governor, I personally feel that legislation to assign  
the Commission to an agency should be initiated by the Governor.

Sincerely,



Diana S. Dowling  
Executive Director

DSD:ee





